

July 11, 2005

James Leonard
Chairman, Committee for the Implementation of Textile Agreements
Room H3100
U.S. Department of Commerce
14th and Constitution Ave, NW
Washington, DC 20230

Dear Mr. Leonard:

The American Manufacturing Trade Action Coalition (AMTAC), National Council of Textile Organizations (NCTO), National Textile Association (NTA), and UNITE HERE! request that the Committee for the Implementation of Textile Agreements (CITA) take the necessary actions to impose a safeguard on U.S. imports from China of cotton and man-made fiber nightwear and pajamas, classified within Category 351/651 of the U.S. Textile and Apparel Category System. This request is made pursuant to the guidelines issued by CITA (68 F.R. 27788, May 21, 2003).

The parties submitting this request are trade associations and unions which are representative of either domestic producers of products like or directly competitive with cotton and man-made fiber nightwear and pajamas, in Category 351/651 or of domestic producers of components used in the production of products that are like or directly competitive with the those contained in Category 351/651.

For your background information, descriptions of each organization are as follows:

AMTAC is a not-for-profit manufacturing trade association established for the purpose of preserving and creating American manufacturing jobs through the establishment of trade policy and other measures necessary for the U.S. manufacturing sector to stabilize and grow. Its members are involved in a wide variety of manufacturing, including textiles, throughout the United States. AMTAC's office is in Washington, D.C.
www.amtadc.org

NCTO is a not-for-profit trade association established to represent the entire spectrum of the United States textile sector, from fibers to yarns to fabrics to finished products, as well as suppliers in the textile machinery, chemical and other such sectors which have a stake in the prosperity and survival of the U.S. textile sector. Its headquarters are in Washington, D.C., and it also maintains an office in Gastonia, NC. www.ncto.org

NTA is a not-for-profit trade association of companies who knit or weave fabrics in the United States, dye, print or otherwise finish fabrics in the United States, or supply fibers, yarns, or other services to the American textile industry. NTA's office is in Boston, MA. www.nationaltextile.org

UNITE HERE! was formed by a merger in 2004 of UNITE (formerly the Union of Needletrades, Textiles and Industrial Employees) and HERE (Hotel Employees and Restaurant Employees International Union). The union UNITE HERE represents more than 440,000 active members and more than 400,000 retirees throughout North America. UNITE HERE's headquarters are in New York, NY. www.unitehere.org

It is the strong view of the petitioners that the surge in January through April 2005 imports from China of cotton and man-made fiber nightwear and pajamas, compounded with the long-term decline in U.S. production of these products constitutes market disruption under § 11.242 of the Report of the Working Party on the Accession of China to the World Trade Organization (WTO). This rise in imports and corresponding long-term decline in domestic production has produced a steady downward trend in the domestic market share for these products according to the I/P Book published by the Office of Textiles and Apparel, International Trade Administration, U.S. Department of Commerce (OTEXA).

In recent years, U.S. apparel production has declined in virtually all of the major cotton and man-made fiber categories. The Petitioners assert that this decline has been the direct result of increasing imports far surpassing the growth of the U.S. market for these products. With the January 1, 2005 removal of quotas on all WTO members, imports are rising across the board, and the surge in the 1st Quarter 2005 imports from China is disrupting the U.S. market.

CITA is well aware of the circumstances following the integration of certain categories on January 1, 2002 in which China registered enormous increases and quickly moved to dominate trade. Following the same track, U.S. imports of cotton and man-made fiber nightwear and pajamas from China skyrocketed 459 percent in the first four months of 2005. Looking at the first four months of 2005 alone, China shot up to the number one supplier with a 29.4 percent share, followed by Cambodia with 19.9 percent and Mexico with a 5.5 percent share of total imports. For calendar year 2004, China was the 2nd largest supplier behind Cambodia with 6.5 percent share of the U.S. import market. For the year-ending April 2005, Chinese market share rose to 13.20 percent, with China still in 2nd place.

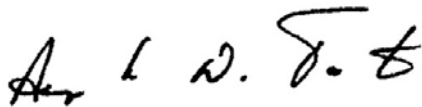
Sharp price reductions are likely a major element in the sudden surge of Chinese imports with the removal of quotas and corresponding quotas costs. A review of recent price data indicates that China's January through April 2005 prices for cotton and man-made fiber nightwear and pajamas averaged \$43.34/dozen. This average unit value is 32.66 percent below the price in the January through April 2004 period of \$64.36/dozen and 42.91 percent below the calendar year 2004 average price of \$75.92/dozen. As with the surging import numbers, the large and instantaneous price drops China demonstrated so far in

2005 again follow the pattern established in 2002 with the removal of certain items from quota. In those categories integrated in 2002, China dropped its prices by an average of 58 percent.

In sum, surging low-priced imports from China are clearly disrupting the U.S. market in Category 351/651. The language on safeguards in the U.S./China Protocol of Accession is based on language in the Multi-Fiber Agreement (MFA) and the WTO's Agreement on Textiles and Clothing (ATC). Both of those international agreements contained language providing for immediate action in the event of highly unusual and critical circumstances.. We believe that current circumstances are such and that prompt action is necessary irrespective of the timelines in the CITA procedures.

Thank you for your consideration of this important matter.

Sincerely,



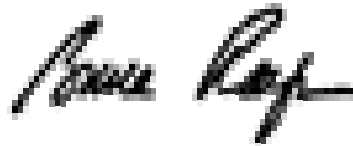
Auggie Tantillo
Executive Director
AMTAC



Cass Johnson
President
NCTO



Karl Spilhaus
President
NTA



Bruce Raynor
General President
UNITE HERE

Table 1: U.S. Production, Imports, and Domestic Market Share for cotton and manmade fiber nightwear and pajamas (Category 351/651) 1999-2004

Time Period	U.S. Production (1,000 Dozen)	U.S. Imports	Imports From China	U.S. Domestic Market Share (Percent)	Import Market Share (Percent)	China Market Share (Percent)
1999	5,515	18,274	1,398	23.18	76.82	5.88
2000	4,888	20,481	1,302	19.27	80.73	5.13
2001	4,860	22,792	1,624	17.57	82.42	5.87
2002	3,281	25,457	1,419	11.42	88.58	4.94
2003	2,480	27,528	1,474	8.26	91.74	4.91
2004	1,278	26,879	1,759	4.54	95.46	6.25

Source: U.S. Imports, Production, Markets, Import Production Ratios and Domestic Market Shares for Textile and Apparel Product Categories (OTEXA/ITA/U.S. Department of Commerce)

Table 2: U.S. Imports of cotton and manmade fiber nightwear and pajamas (Category 351/651) 1999-2004, YTD and YE March 2004 and 2005 from the World and China: Quantity (Dozen), Percent Change, and China's Percent Share of the World – Source: OTEXA

Time Period	U.S. Imports-Category 351/651 from:		China:		
	World: Quantity (Dozen)	Percent Change	Quantity (Dozen)	Percent Change	Percent Share
1999	18,273,643	--	1,398,258	--	7.65
2000	20,481,374	12.08	1,302,378	-6.86	6.36
2001	22,792,462	11.28	1,624,188	24.71	7.13
2002	25,457,085	11.69	1,419,331	-12.61	5.58
2003	27,521,807	8.11	1,473,796	3.84	5.36
2004	26,879,201	-2.33	1,758,853	19.34	6.54
Q1 2004	5,651,418	--	338,308	--	5.99
Q1 2005	6,076,760	7.53	1,662,300	391.36	27.36
YE 3/04	27,085,996	--	1,496,703	--	5.53
YE 3/05	27,304,543	.81	3,082,845	105.98	11.29
YTD 4/04	7,068,663	--	411,073	--	5.82
YTD 4/05	7,828,911	10.76	2,299,662	459.43	29.37
YE 4/04	26,904,057	--	1,503,077	--	5.59
YE 4/05	27,639,449	2.73	3,647,442	142.67	13.20
Data for YTD and YE June 2004 and Preliminary data for YTD and YE June 2005					
YTD 6/04	10,619,103	--	553,508	--	5.21
YTD 6/05 (p)	12,645,069	19.08	4,136,363	647.30	32.71
YE 6/04	26,890,367	--	1,508,187	--	5.61
YE 6/05 (p)	28,905,167	7.49	5,341,708	254.18	18.48